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World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup
WR 8-86

Feb. 26, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Spain Stockpiles U.S. Corn. Spanish purchases of U.S. corn during October 1985-January 1986 were nearly double the same period a year earlier as traders stockpiled grain in anticipation of the higher European Community (EC) import levy which will be implemented on March 1. The levy, part of Spain's accession into the EC, will increase the price of imported corn and likely result in a sharp decline in corn imports from non-EC sources such as the United States. Spain is an important U.S. corn customer, importing an average of 3.5 million metric tons per year, or about 8 percent of all U.S. corn exports. In 1985/86, however, Spain is expected to import only about half of this amount, 1.8 million tons, the lowest level in nearly 15 years.

OILSEEDS AND PRODUCTS

Korea May Adjust Soybean Meal Import Quota Upward. The U.S. agricultural attache in Seoul estimates that of the 100,000-ton soybean meal import quota the Korean government has set for 1986, 40,000 tons will come from the United States. USDA estimates that none of the 130,000 tons Korea imported in 1985 were of U.S. origin. There could possibly be an upward adjustment of the 1986 soybean meal import quota if the government feels local crushers are taking advantage of their partially protected position in pricing soybean meal to domestic users. However, a more likely expression of pent-up demand for protein meals would be an increase in imports of oilseed meals other than soybean meal, whose importation was theoretically liberalized in mid-1985.

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Sweden's Rapeseed Output To Be Down. Rapeseed production in Sweden for 1985/86 is estimated at 320,000 tons, down 7,000 tons from 1984/85, according to the U.S. agricultural attache in Stockholm. The production of double-zero rapeseed (low in erucic acid and glucosinolate content) is estimated at 72,000 tons, but because of harvest methods and limited storage facilities only 58,000 tons were kept separate from single-zero seed. If the two varieties of rapeseed can be separated in 1986/87, production of double-zero rapeseed could be double last year's production. Production of double-zero rapeseed in 1986/87 is forecast at 110,000 tons from 65,000 hectares.

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Colombia's Oil Palm Area Has Increased. African oil palm area in Colombia for 1985 is estimated at 65,452 hectares, up nearly 15 percent from 1984, according to the U.S. agricultural attache in Bogota. Less than 42,000 hectares are considered productive since many recently planted trees have not yet reached productive age. Almost one-half of the new areas are in the Eastern Plains, where oil palm area reached 11,652 hectares in 1985, up 40 percent from 1984. In 1986, total production of palm oil is forecast at 131,000 tons, up from 120,000 tons produced in 1985.

DAIRY, LIVESTOCK AND POULTRY

January Livestock Output Up in the Soviet Union. Livestock output on state and collective farms in the Soviet Union was up sharply in January, according to the U.S. agricultural attache in Moscow. Compared with January 1985, meat production was up 15 percent, with beef up 13 percent, pork up 16 percent and poultry meat production up 20 percent. Further evidence of favorable conditions include a gain of 9 percent in milk production, with output per cow up 7 percent. Similarly, output of eggs was up 7 percent with output per hen up about 5 percent.

Compared to a year earlier, livestock inventories on state and collective farms as of February 1 were mixed. Poultry numbers increased by 18 million to 740.2 million and hog numbers were up by 0.3 million head to 58.9 million. At 94.1 million head, total cattle numbers had dropped by 0.4 million--all in the cow herd. Sheep and goats were down by 1.6 million head to 115.7 million.

The increased productivity of the livestock sector resulted from generally favorable feed supplies as the forage harvest last year was a record. Supplies of grain available for feed use are estimated to equal last year's level. Furthermore, it appears slaughter was limited in December 1985, allowing more and heavier animals to be slaughtered during January 1986.

Selected International Prices

Item	Feb. 25, 1986		Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	184.50
U.S. No. 2 DNS/NS: 14%....	174.50	4.75	+.50	180.00
U.S. No. 2 S.R.W.	153.00	4.16	-.50	157.50
U.S. No. 3 H.A.D.......10/	161.00	4.38	0	179.50
Canadian No. 1 A: Durum...	N.Q.	--	--	193.00
Feed grains:				
U.S. No. 3 Yellow Corn....	116.00	2.95	-.50	130.50
Soybeans and meal:				
U.S. No. 2 Yellow........	215.90	5.88	-.50	232.00
Brazil 47/48% SoyaPellets	194.00	--	-2.00	143.00
U.S. 44% Soybean Meal....	186.00	--	-1.00	139.00
U.S. FARM PRICES 3/				
Wheat....................	112.42	3.06	-.73	123.08
Barley...................	N.Q.	N.Q.	N.Q.	81.30
Corn.....................	90.55	2.30	+.79	101.18
Sorghum..................	78.04	3.54 2/	-.22	93.03
Broilers.................	1095.47	--	+17.42	1103.18
EC IMPORT LEVIES				
Wheat 5/.................	150.15	4.08	+4.90	42.30
Barley...................	140.75	3.06	+5.25	45.20
Corn.....................	131.65	3.34	+7.20	42.35
Sorghum..................	128.00	3.25	+4.65	43.35
Broilers 4/ 6/ 8/........	312.00	--	+9.00	144.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	186.90	5.09	+5.00	131.90
Bread wheat (min. quality)	198.80	5.41	+5.35	140.35
Barley and all other feed grains.......	186.90	--	+5.00	131.90
Broilers 4/ 6/...........	1348.00	--	+47.00	978.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	N.A.	N.A.	--	12.60
Barley...................	N.A.	N.A.	--	26.60
Broilers 4/ 6/ 8/........	227.00	--	+6.00	85.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May price. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.

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